

Colleen Abdoulah

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April 18, 2005

Ms. Marlene H. Dortch

Office of the Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

via electronic filing

Direct Dial: 720-479-3501

Re: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

On behalf of WideOpenWest, we write to express our strongest support for ACA's petition for rulemaking on retransmission consent. We operate an independent, competitive cable company that serves customers in select markets in the Midwest and we can verify that the petition accurately describes the upcoming retransmission consent crisis. Broadcasters, including those in our markets, have made it clear that they will force us to charge an additional \$5 to \$6 per subscriber per month for basic cable, to cover new demands of cash for carriage. ACA's solution to this problem is procompetition, pro-consumer, and deregulatory. It will benefit the consumers served by our company and will help keep down the costs of basic cable.

Provided below is some information about our company and why we think the Commission needs to grant ACA's petition.

## Company background

WideOpenWest provides cable television and high-speed Internet services in direct competition with Comcast, Time Warner and Adelphia in the metropolitan Chicago, Detroit, Cleveland and Columbus markets. These incumbent cable providers as a matter of course, target our customers to offer deeply discounted offers making it Ms. Marlene H. Dortch Page 2 April 18, 2005

extremely difficult to cover our increased costs of programming and other vendorrelated and third party supplier costs. In fact, programming costs have increased far ahead of inflation (approximately 10% per year for the last five years).

The broadcasters' demands for several more dollars per subscriber per month presents a significant financial obstacle to providing competitive cable services in our markets. For example, certain broadcasters have demanded \$0.75 or more per subscriber per month to carry their signals, or forced carriage of unwanted programming at high costs in order to continue carriage of the stations' signal. Because our margins are already stretched thin, we have no choice but to pass this cost onto our customers. They will be angry. Some will drop our service and those that do not will have to pay up to several dollars more per month for basic cable. Unlike the large incumbent cable operators with whom we compete, WideOpenWest does not have the market power to resist such unwarranted demands.

## Why we support ACA's Petition

Basically, all that ACA asks for is the right to seek network programming from alternative sources when a broadcaster demands a price for retransmission consent. If we had the right to obtain network programming from outside our markets rather than solely from the broadcasters in our markets, market forces would come into play to assure that our customers received network programming at more affordable prices.

As stated in the petition, the problem is not that broadcasters demand a "price" for retransmission consent. The problem is that they block our ability to access the marketplace to find lower-cost alternatives for our customers. The petition shows how this problem will easily cost consumers and smaller cable operators upwards of \$1 billion next year.

By making the limited changes requested by ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help to keep our costs down and will benefit our consumers.

## Our concern for localism

As a final point, we want the Commission to know that we prefer to carry our local broadcasters. While we understand the importance of local programming, we also understand that our customers and the communities we serve want competitive cable services at affordable prices. The higher prices being demanded by more and more owners of these stations jeopardize our ability to meet that objective. Most often the owners are based in corporate headquarters hundreds or thousands of miles away.

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Frankly, they don't care about localism or the benefits of a competitive marketplace. They just want our customers' money.

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We fully support a fair exchange of value for carriage of local signals. But when broadcasters demand a "price," we need the ability to establish that "price" through market forces unrestricted by artificial barriers. Please act on ACA's Petition as soon as you can.

Sincerely,

WOW!

\_\_\_\_\_/s/\_\_ Colleen Abdoulah

President & Chief Executive Officer

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